

# HOGAN & HARTSON

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August 4, 1993

**BY HAND DELIVERY**

Mr. William Caton  
Acting Secretary  
Federal Communications Commission  
1919 M Street, N.W.  
Washington, D.C. 20554

**Re: Petition for Stay  
MM Docket No. 92-266**

Dear Mr. Caton:

On behalf of the Coalition of Small System Operators, the Community Antenna Television Association, Inc. and Prime Cable of Alaska, L.P., we enclose a supplement to the Petition for Stay of the September 1, 1993 effective date for rate regulation filed on July 28, 1993. This supplement consists of a corrected Exhibit K and a corrected certificate of service. The certificate of service filed with the Petition for Stay was erroneously dated July 11, 1993 instead of July 28, 1993. All parties on that certificate of service were, in fact, served with a copy of the Petition for Stay on July 28, 1993.

If there are any questions regarding this supplement, please contact the undersigned.

Respectfully submitted,

HOGAN & HARTSON

By

  
Jacqueline P. Cleary

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Attorneys for Coalition of Small  
System Operators and Prime Cable of  
Alaska, L.P.

Enclosure

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## **DECLARATION**

I, Vince King, hereby declare under penalty of perjury that the following is true and correct to the best of my knowledge, information and belief:

ACI Management, Inc. ("ACI") manages systems in Brookshire, Waelder, Chimney Hill, Fulshear, Prairie View, Moulton, Ponder and Argyle, Texas. The average number of subscribers for these systems is 266 and the systems serve a total of approximately 2,000 subscribers. The average number of subscribers per community unit is 152. These systems offer an average of 24 channels of regulated service.

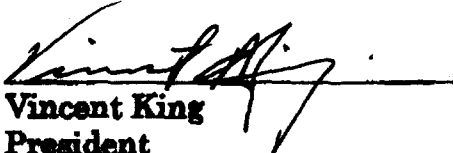
Approximately one year ago, ACI was brought in to turn around and manage these systems, which have suffered net losses for the last five years. Through ACI's efforts, the systems' net losses have begun to decrease. However, as demonstrated by the chart below, compliance with the FCC's benchmarks would substantially increase the systems' net losses. The systems currently operate under a forbearance agreement with their lender. Any reduction in operating revenue would violate multiple revenue and cash flow covenants in the forbearance agreement. Furthermore, such violations could cause the systems to go into bankruptcy, and ultimately cause deactivation of the systems. This loss of service would leave the 2000 subscribers of the systems without cable television service. Over the last year, the Brookshire systems have experienced the following overall increases in costs:

|                                |      |
|--------------------------------|------|
| • basic programming costs      | 4.6% |
| • pole rental rates            | 3.7% |
| • state unemployment tax rates | 52%  |
| • employee health insurance    | 79%  |

Over the last few months, for all of its cable operations, ACI has invested about \$22,700 on its efforts to learn and understand the new cable rules and to perform related administrative functions required by the rules (such as notification of broadcast stations entitled to must carry, etc.). In addition, ACI estimates that it will be required to spend approximately \$12,000 in order to add all of the channels required to be added under the new signal carriage rules. Compliance with the rules' channel positioning requirements will cost an additional \$2,000. ACI will have to spend about \$19,000 on expenditures for compliance with the FCC's new technical rules.

ACI has added personnel, and will continue to hire new people, in order to comply with the new customer service rules. Phone answering requirements, installation deadlines and deadlines for the commencement of work on the outage of a single channel will result in payroll increases of 10 to 12 percent.

**New billing requirements will more than double the cost of customer billing as ACI goes from yearly coupon bills to monthly statements.**

  
**Vincent King**  
**President**  
**ACI Management, Inc.**

**Dated:** July 28, 1993.

## **CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing Petition for Stay were hand-delivered this 28th day of July 1993 to:

**Chairman James H. Quello**  
**Federal Communications Commission**  
**Room 802**  
**1919 M Street, N.W.**  
**Washington, D.C. 20554**

**John C. Hollar**  
**Senior Advisor to Commissioner Duggan**  
**Federal Communications Commission**  
**Room 832**  
**1919 M Street, N.W.**  
**Washington, D.C. 20554**

**Commissioner Ervin S. Duggan**  
**Federal Communications Commission**  
**Room 832**  
**1919 M Street, N.W.**  
**Washington, D.C. 20554**

**William H. Johnson**  
**Mass Media Bureau**  
**Federal Communications Commission**  
**Room 314**  
**1919 M Street, N.W.**  
**Washington, D.C. 20554**

**Commissioner Andrew C. Barrett**  
**Federal Communications Commission**  
**Room 844**  
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**Washington, D.C. 20554**

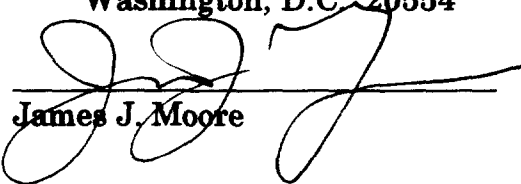
**Alexandra Wilson**  
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**Federal Communications Commission**  
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**Robert Corn-Revere**  
**Senior Legal Advisor to the Chairman**  
**Federal Communications Commission**  
**Room 802**  
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**Bruce A. Romano**  
**Deputy Chief, Policy & Rules Division**  
**Mass Media Bureau**  
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**Byron F. Marchant**  
**Senior Advisor to Commissioner Barrett**  
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**Robert Pepper**  
**Chief, Office of Plans and Policy**  
**Federal Communications Commission**  
**Room 822**  
**1919 M Street, N.W.**  
**Washington, D.C. 20554**

  
**James J. Moore**